



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1484

DATE: March 2, 2015

TO: Iowa Medicaid Hospitals, Mental Hospitals, Community Mental Health, Physicians, Podiatrists, Clinics, Rural Health Clinics, Family Planning, Screening Centers, Maternal Health Clinics, Ambulatory Surgical Centers, Certified Nurse Midwives, Certified Registered Nurse Anesthetists, Federally Qualified Health Centers, Advanced Registered Nurse Practitioners, Institutional-General and Pharmacies

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Additional "J-Codes" that Require National Drug Codes (NDC) for Payment

EFFECTIVE: April 1, 2015

To comply with the Centers for Medicare and Medicaid Services (CMS) requirements pursuant to the Federal Deficit Reduction Act (DRA) of 2005, the IME requires providers to submit the NDC for each injectable "J-Code" drug, with only those identified as rebatable eligible for reimbursement.

The IME has conducted a review of the "J-codes" and identified several that were previously excluded from the NDC requirement that meet the definition of injectable drug and require a rebatable NDC for the claim to be reimbursable. The codes are:

- J2469
- J7311
- J2788
- J2790
- J2791
- J2792

As described in Informational Letters [593](#)¹ and [647](#)² all J-codes billed must be submitted with a corresponding NDC number and only those NDCs that are rebatable will be payable by the IME.

Reminder:

The Medicaid Drug Rebate Program requires a drug manufacturer to enter into and have in effect a national rebate agreement with the Secretary of the Federal Department of Health

¹ http://dhs.iowa.gov/sites/default/files/593NDCIL_0.doc

² https://dhs.iowa.gov/sites/default/files/647NDCIL10262007-FINAL_0.doc

and Human Services (HHS) for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. This includes physician-administered drugs billed with the Healthcare Common Procedure Coding System (HCPCS) Level II “J” codes. The IME maintains a [Rebatable Drug List for J-Code Billing](#)³ on the DHS website. This list is updated quarterly and the posting date of the list will be the effective date of any coverage change. Providers should review the “J” codes and NDCs on this listing to determine those that are rebatable and payable by the IME.

Please refer to [Informational Letter 1404](#)⁴ dated July 17, 2014, for billing instructions for 340B purchased drugs.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.

³ <http://dhs.iowa.gov/ime/providers/claims-and-billing/RDL>

⁴ <https://dhs.iowa.gov/sites/default/files/1404%20340B%20Drug%20Pricing%20Program.pdf>